Government of Saskatchewan

Annual Report 1990

Saskatchewan Horse Racing Commission

Saskatchewan

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Saskatchewan Horse Racing Commission
1015 - 8th STREET EAST
SASKATOON, SASKATCHEWAN S7H 0S2
PHONE: (306) 343-9566
FAX: (306) 343-1088

The Honourable Harold Martens
Associate Minister of Agriculture
Province of Saskatchewan
Room 30
Legislative Drive
2405 Legislative Drive
Regina SK
S4S 0B3

Sir:

Presented herewith is the Seventh Annual Report of the Saskatchewan Horse Racing Commission for the twelve months ending December 31, 1990.

Respectfully submitted,

E Robert Stromberg.

E. Robert Stromberg, Q. C.
Chairman

/sd
encl.

E. Robert Stromberg Q.C.
Chairman
Saskatoon

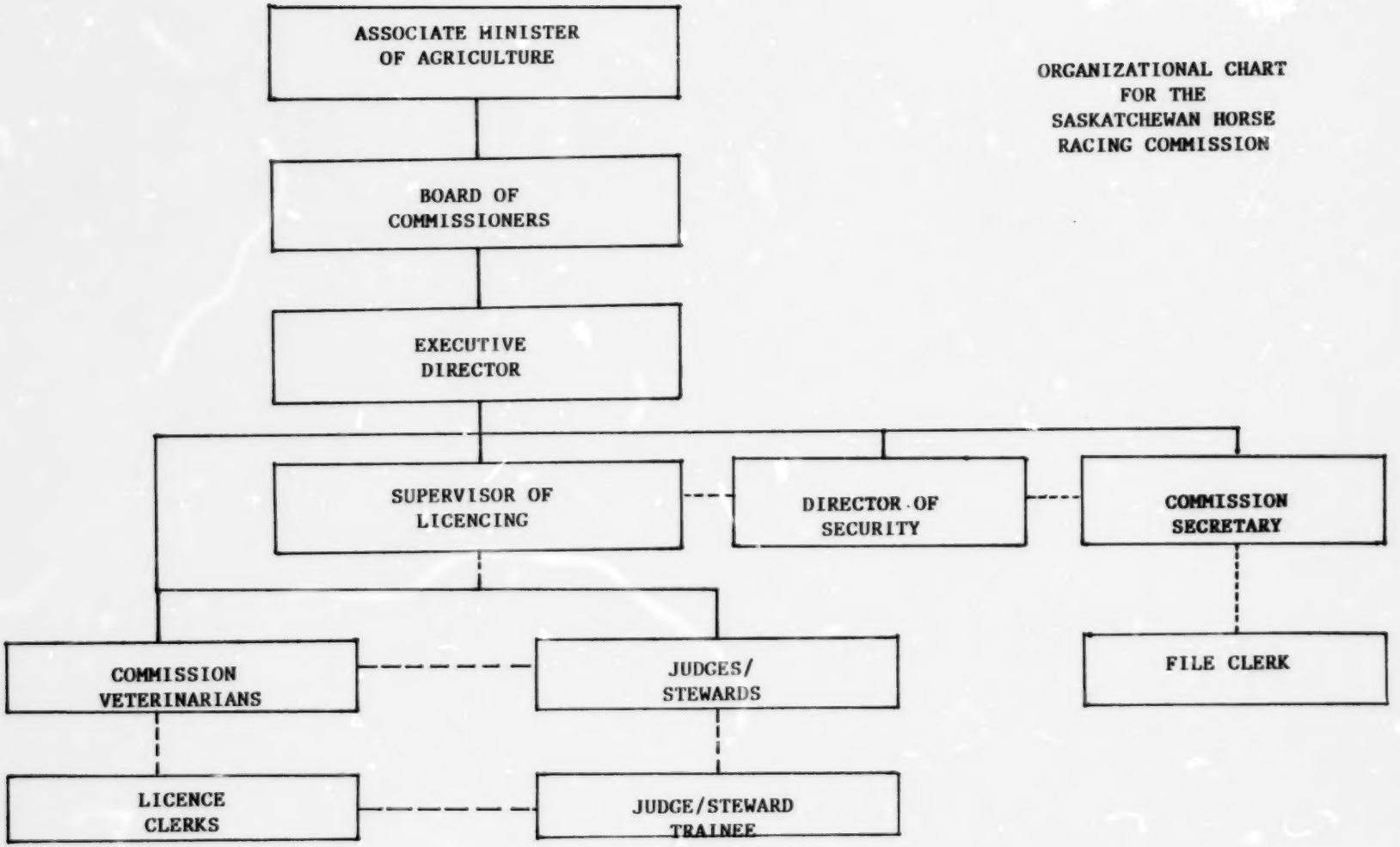
Wayne Steadman
Vice Chairman
Regina

Donald M. Pulfer D.V.M.
Commissioner
Weyburn

SASKATCHEWAN HORSE RACING COMMISSION 1990

ASSOCIATE MINISTER OF AGRICULTURE	Honourable Harold Martens
COMMISSION CHAIRMAN	E. Robert Stromberg, Q.C.
COMMISSION VICE-CHAIRMAN	C. Wayne Steadman
COMMISSIONER	Donald M. Pulfer, D.V.M.
EXECUTIVE DIRECTOR	Leary P. Claypool
SUPERVISOR OF LICENCING	Suzanne H. Dring
COMMISSION SECRETARY	Debra L. Douglas
DIRECTOR OF SECURITY	position unfilled in 1990
VETERINARIANS	Dr. Marion Anderson, Dr. Ronald Clark, Dr. Edward McCall, Dr. Richard McLean
JUDGES & STEWARDS	Donald Camp, Alexander Chisholm Samuel Hawkins, Robert Nokes Douglas Schneider, Edward Uhran
JUDGE/STEWARD TRAINEE	Edward Mebs
LICENCE CLERKS	Vera Brown, Daneen Dring, Catherine Forster, Douglas King, Cindy Kostyk, Sharon Nowlan, Catherine Waller
FILING CLERK	Su Sakdipat

ORGANIZATIONAL CHART
FOR THE
SASKATCHEWAN HORSE
RACING COMMISSION



CHAIRMAN'S REPORT

It is my pleasure to present this seventh Annual Report on behalf of the Saskatchewan Horse Racing Commission.

1990 has been a positive year for the sport of horse racing in Saskatchewan. Several factors have contributed to this. The industry examined previous years' strategies and searched for new ways to improve performance. The combined effort by all sectors of the industry has provided encouraging results. The cooperation exhibited by all parties in the industry has provided a solid base to build on next year's efforts.

Licences issued to horsemen in 1990 declined from the previous year. 1,182 licences were issued to Thoroughbred horse categories, down from 1,278 in 1989. The number of Standardbred related licences issued totalled 480, down from the 1989 figure of 608. However, the number of licences issued exceeded the 1988 adjusted figures. The Commission attributes the higher number of licencees in 1989 to the increased government support during 1989.

The Commission has continued with its efforts to encourage development of the horse racing industry. In 1990 the Commission established the Saskatchewan Summer Series. The Saskatchewan Summer Series consisted of a series of races throughout the racing season for Quarter Horse, Standardbred, and Thoroughbred breeds. The winners of final events received substantially increased purses. Attractive trophies were presented to the winners as well. The series became the most anticipated event in the daily racing card. Two of the Summer Series races were designated as "The Ministers Cup". The Standardbred race for "The Minister's Cup" was held on Saturday, July 14, 1990 at Queensbury Downs in Regina. The Thoroughbred race for "The Minister's Cup" was held at Marquis Downs in Saskatoon on Saturday, September 29, 1990.

Another progressive and highly successful step in re-building the horse racing industry has been the inception of teletheatres in Saskatchewan. In the six month period that teletheatres have been operating, a total of $549,992 has been wagered in addition to handles in Regina and Saskatoon. Public reaction to these entertainment options has been very favorable.

Although the combined attendance at Saskatchewan's rural race meets decreased this summer, the wager per person increased from $18.38 to $30.94. As both meets are scheduled during Agricultural Fairs, the attendance is only estimated and in no way reflects a negative reaction towards rural horse racing itself. Each Association, Marquis Downs and Queensbury Downs, the breeders, owners, trainers and other participants in the sport of horse racing are to be congratulated for a job well done in 1990. As well, our Executive Director, Leary Claypool, the judges, stewards and supporting staff have ensured that the role of the Commission as set out in the Horse Racing Commission Act has been performed in an efficient and economical manner.

The Saskatchewan Horse Racing Commission looks forward to a successful year of racing in 1991.

E. Robert Stromberg, Q.C.
Chairman

SASKATCHEWAN HORSE RACING COMMISSION

OBJECTIVES AND GOALS

The Saskatchewan Horse Racing Commission operates under the authority of The Saskatchewan Horse Racing Commission Act. This act was proclaimed on December 15, 1983. The Commission is vested by law with full authority to prescribe the rules, regulations, and conditions under which horse racing with parimutuel wagering may be conducted in Saskatchewan. The Commission also has the power to govern, direct, control and regulate horse racing in Saskatchewan.

The Commission's primary objective is to maintain the integrity of horse racing in Saskatchewan. This is carried out in a number of ways. Close supervision by the Commission and its representative at the track assure the spectator public and the competing owners of horses:

1. that the Association conducting a race meeting is operated by responsible management;

2. that every owner and trainer seeking to enter a horse in competition is a person of good character and of financial responsibility;

3. that every horse appearing in a race is the animal he is represented to be on the program and is carrying the correct weight as assigned by the track handicapper;

4. that every race run will represent a true competitive effort by every participating horse and rider/driver;

5. that no rider/driver, during the running of a race, commits any act that would unfairly tend to make the race anything other than a true competitive test;

6. that every horse is physically fit to race;

7. that no one responsible for the custody of a competing horse had administered or permitted to be administered any forbidden medication to the competing animal;

8. that every racing association is doing its utmost to provide the spectator public, the horses and their attendants the best possible facilities that it can afford.

The Commission also fulfills the role of liaison, acting as the intermediary between the various horse associations, the racetracks and the Government of Saskatchewan.

SASKATCHEWAN HORSE RACING COMMISSION

OBJECTIVES AND GOALS continued

The primary goals of the Commission are to build a strong and credible industry, to operate the Commission offices as efficiently and economically as possible and to serve as a steadfast entity on which the industry and the public can depend upon to preserve and maintain the integrity of horse racing in Saskatchewan.

COMMISSION ADMINISTRATION

The Commission is comprised of three individuals who have been appointed for a period of two years. The Chairman is Mr. E. Robert Stromberg, Q.C. of Saskatoon. The Vice-Chairman is Mr. C. Wayne Steadman of Regina and Dr. Donald Pulfer of Weyburn is the remaining member of the Commission.

Three full-time personnel were employed by the Commission in 1990 - Leary Claypool, Executive Director; Debbie Douglas, Commission Secretary; and Suzanne Dring, Supervisor of Licencing. All other positions were seasonal.

SUMMARY OF OPERATIONS

The Commission performs a number of regulatory functions. Those of principal interest are:

1. Approving race dates;
2. Licencing all persons involved in horse racing;
3. Supervising horse racing in Saskatchewan;
4. Assisting in the development of horse racing;
5. Hearing appeals on Judges' and Stewards' rulings;
6. Approving simulcast wagering dates;
7. Approving teletheatre locations.

Race associations must submit their applications for the next year's race dates by October 31 of the preceding year. When all applications are submitted, the Commission meets to approve, disapprove, or discuss modifications to the applications. As well, Agriculture Canada approves all dates on which parimutuel wagering takes place.

SUMMARY OF OPERATIONS continued

The licencing process creates a vast amount of paperwork for the Commission's head office and track offices. It is an important function in the Commission operations. Every individual involved in racing is required to complete an application, as well as other related documentation (such as partnerships, stable names, or lease agreements). These applications are checked for completeness by the Licence Clerks who collect the fees and forward the applications to the Judges or Stewards (depending upon which breed the licence applicant is affiliated with) for final approval. The Judges or Stewards review the forms and then approve or reject the application. It is of prime importance that every licencee has the required integrity and ability to participate in racing in Saskatchewan. An applicant's past racing record is also checked via microfiche from the R.C.I.'s (Racing Commissioners, International) files in Lexington, Kentucky, USA. Various other checks are completed to ensure that all licencees are qualified and competent to participate in racing.

When an application is approved, the licencee is then given a photo ID pass. This pass allows the licencee admittance into both the track and the stabling areas. Every individual who has ever been licenced by the Commission has a confidential file at the Commission head office and all records and events relating to an individual are kept on this file.

Maintenance of current applications and related documents continues throughout the racing season at the track offices. The Licence Clerks perform many duties, which include checking the racing programs for each card to ensure that all participants are licenced and that all other documentation is on file with the Commission.

Supervision of horse racing in Saskatchewan is also an important role of the Commission. One of the more visible aspects of this supervision is the presence of Judges and Stewards at all racing events where parimutuel wagering takes place.

The Judges/Stewards observe the 'running' of every race at the racetrack to ensure that each contest is run fairly and honestly. They are responsible for making every race "official" after determining that the race has been run according to the rules and regulations of the Commission. They deal with claims of foul, objections and inquiries. They review the races from views taken by a main camera and tower video When a race is close (within a halt a length), they call for a photo from Mendelson Films, which they use as an aid to calling the race official. A Judge or Steward must also be present for the drawing of each race.

SUMMARY OF OPERATIONS continued

Many grants are made by the Commission to various groups and organizations involved in horse racing in Saskatchewan. The Commission has returned millions of dollars to the horse racing industry over the past seven years. Each association conducting a race meet with parimutuel wagering receives a grant. Both Standardbred and Thoroughbred Breeders have received grants that have totalled over three quarters of a million dollars since 1984. The Western College of Veterinary Medicine also receives a grant annually for researching and solving the many problems affecting the equine athlete.

The Commission is a source of information to the public. All enquiries made by phone, letter or in person, by the public or other organizations, are answered by the Commission or routed to the proper authority. A great effort is made to improve and maintain the image and integrity of the industry so that the sport can survive and flourish in the province.

Hearing appeals of the Judges' and Stewards' rulings is vital to both the Commission administration and the licencees. When a licencee feels that a penalty (a fine, suspension, or both) is excessive or unfair, he/she has the opportunity and the right to appeal the decision. The appellant may defend him/herself or retain a representative. He or she can also bring individuals to the appeal if they may help the appellant's case by acting as a witness. The decision of the Commission is held as final. *The opinions of the Judges/Stewards are not necessarily those of the Commission Administration.* This process of hearing appeals, with both licencees and officials present, ensures that all decisions are fair and within reasonable limits and standards set forth by the Commission.

Associations apply for simulcast and teletheatre wagering dates just as they apply for live racing dates. There is a limit to the number of simulcast races that an association may bring in during a calendar year. The Commission approves or rejects these dates. They also take into consideration the effect the simulcasts may have on the live racing dates.

Horse racing is a constantly changing industry. New betting profiles, inter-provincial simulcasting, teletheatre wagering, and the promotion and marketing thrusts made by the industry to compete with other forms of entertainment, all play important roles in keeping the sport alive. As racing evolves, the Commission endeavors to keep this sport a creditable and economically important industry in Saskatchewan.

SASKATCHEWAN HORSE RACING COMMISSION 1990

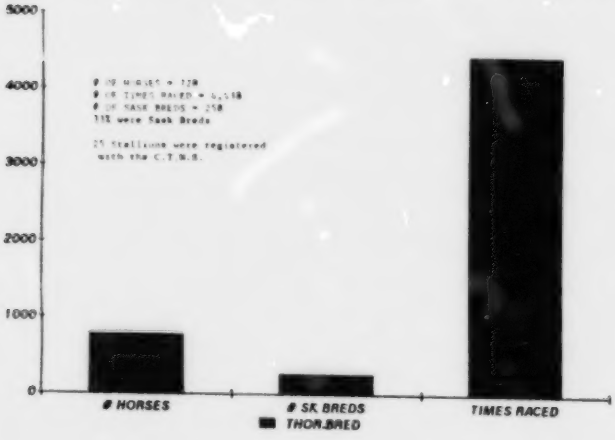
THE YEAR IN REVIEW

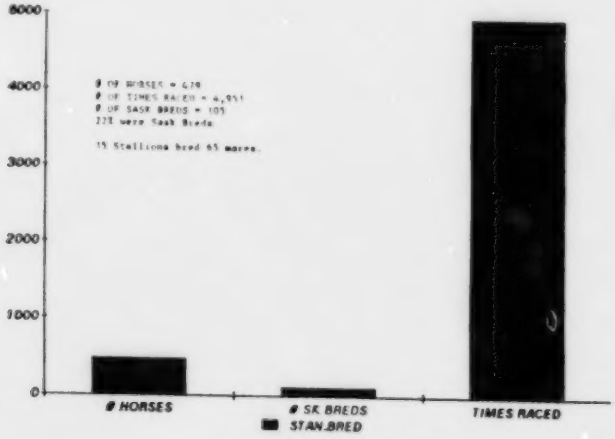
The Commission met 11 times in 1990, conducting 3 of the meetings by telephone conference. Three appeals were heard, all were denied.

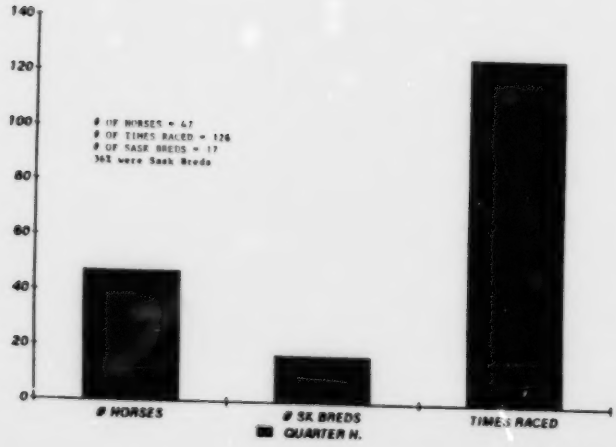
In licence applications, 1182 licences were issued in runner-related categories. Last year, this figure was 1278. The number of harness-related licences issued totalled 480, a marked decrease from the 1989 figure of 608. Sundry licences (track employees, miscellaneous categories, Commission personnel) totalled 299 this year.

The Stewards issued 79 rulings during the Thoroughbred meet at Marquis Downs, as opposed to last year's figure of 88 rulings. The Judges at Queensbury Downs issued 46 rulings, a decrease from last year's figure of 96.

SASKATCHEWAN HORSE INVENTORY FOR 1990







TOTALS

OF HORSES = 1,254
OF TIMES RACED = 9,515
OF SASK BREDS = 380

GRANTS TO THE HORSE RACING INDUSTRY

Thoroughbred Purse Support	233,905.00
Standardbred Purse Support	224,732.00
1% Thoroughbred Breeders	53,158.00
1% Standardbred Incentive	50,648.00
1% Quarter Horse	650.00
Marquis Downs	233,905.00
Queensbury Downs	224,732.00
Rural - Melville	3,307.00
P.S.M.G. - Melville	4,000.00
Rural - Yorkton	4,737.00
P.S.M.G. - Yorkton	4,000.00
Teletheatre - Moose Jaw	4,000.00
Teletheatre - Prince Albert	4,000.00
Teletheatre - Lloydminster	4,000.00
Summer Series - Thoroughbred	75,737.00
Summer Series - Standardbred	49,298.00
Summer Series - Quarter Horse	1,500.00
Summer Series - Miscellaneous	2,670.00
Sundry	20,500.00
Western College of Veterinary Medicine	10,750.00
Marketing and Economic Study	2,116.00
TOTAL GRANTS	***$1,212,345.00***

RACING IN 1990 - THE FAIR MEETS

Melville & District Agricultural Park Association
P.O. Box 2678, Melville Saskatchewan, S0A 2P0
Phone: (306)728-5277 Fax:(306)728-4544

BREEDS RACED	: Quarter Horse, Appaloosa, Thoroughbred	
DATES RACED	: June 22, 23, 24	
NUMBER OF RACES	: 25	
TOTAL ATTENDANCE	: 4,000	(estimated)
TOTAL PURSES	: $24,950.00	
AMOUNT WAGERED	: **$20,668.00**	

Yorkton Agricultural & Industrial Exhibition Corporation
P.O. Box 908, Yorkton Saskatchewan, S3N 2X1
Phone:(306)783-4800 Fax:(306)786-7577

BREEDS RACED	: Standardbred	
DATES RACED	: July 4, 5	
NUMBER OF RACES	: 20	
TOTAL ATTENDANCE	: 1,149	(estimated)
TOTAL PURSES	: $22,500.00	
AMOUNT WAGERED	: **$29,609.00**	

RACING IN 1990 - QUEENSBURY DOWNS

Regina Exhibition Association Limited
P.O. Box 167, Regina Saskatchewan, S4P 2Z6
Phone:(306)781-9310 Fax:(306)525-0955

BREEDS RACED : Standardbred

January 1 - April 15 (simulcast signal from Assiniboia Downs)

NUMBER OF RACES	:	662	
ATTENDANCE	:	12,406	(when available)
AMOUNT WAGERED	:	**$1,546,416.00**	

April 7 - May 3 (simulcast signal from Stampede Park)

NUMBER OF RACES	:	120	
ATTENDANCE	:	1,689	
AMOUNT WAGERED	:	199,575.00	(on-track)
" "		208,093.00	(inter-track to Marquis Downs)
" "	:	**$407,668.00**	(total)

May 18 - October 27 (live racing)

NUMBER OF RACE DAYS	:	71	
NUMBER OF RACES	:	665	
ATTENDANCE	:	49,344	(8,728 for ITB Saskatoon)
PURSES	:	826,085.00	
AMOUNT WAGERED	:	2,802,725.00	(on-track)
" "	:	778,142.00	(ITB - Marquis Downs)
" "	:	174,992.00	(ITB - Teletheatres)
" "	:	**$3,755,659.00**	(total)

May 18 - October 27 (in-season simulcasts)

NUMBER OF RACES	:	8	
ATTENDANCE	:	375	(in addition to above)
AMOUNT WAGERED	:	36,270.00	(on-track)
" "	:	23,574.00	(ITB - Marquis Downs)
" "	:	7,075.00	(ITB - Teletheatres)
" "	:	**$ 66,919.00**	(total)

November 2 - December 31 (simulcast signal from Assiniboia Downs)

ATTENDANCE	:	4,791	
AMOUNT WAGERED	:	**$ 614,204.00**	

RACING IN 1990 - MARQUIS DOWNS

Saskatoon Prairieland Exhibition Corporation
P.O. Box 8428, Saskatoon Saskatchewan, S7K 6C7
Phone:(306)242-6100 Fax:(306)242-6907

BREEDS RACED : Thoroughbred and Quarter Horse

January 1 - April 15 (simulcast signal from Assiniboia Downs)

NUMBER OF RACES	:	662	
ATTENDANCE	:	10,785	(when available)
AMOUNT WAGERED	:	**$1,290,795.00**	

May 5 - October 8 (live racing)

NUMBER OF RACE DAYS	:	73	
NUMBER OF RACES	:	636	
ATTENDANCE	:	50,888	(10,058 - ITB Regina)
PURSES	:	1,148,610.00	
AMOUNT WAGERED	:	3,755,045.00	(on-track)
" "	:	1,131,154.00	(ITB - Queensbury Downs)
" "	:	196,833.00	(ITB - Teletheatres)
" "	:	**$5,083,032.00**	(total)

May 5 - October 8 (in-season simulcasts)

NUMBER OF RACES	:	34	
ATTENDANCE	:	621	(in addition to above)
AMOUNT WAGERED	:	201,501.00	(on-track)
" "	:	84,219.00	(ITB - Queensbury Downs)
" "	:	5,888.00	(ITB - Teletheatres)
" "	:	**$ 291,608.00**	(total)

November 2 - December 31 (simulcast signal from Assiniboia Downs)

ATTENDANCE	:	3,938	
AMOUNT WAGERED	:	**$ 522,023.00**	

Totals represent all wagers made in Saskatchewan, including those on races from outside the province.

SASKATCHEWAN HORSE RACING COMMISSION 1990

RACING IN 1990 - THE TELETHEATRES

PRINCE ALBERT - July 27 to December 26

Amount Wagered:			
	Queensbury Downs	$ 50,352.00	(included in breakdown)
	Marquis Downs	186,634.00	(included in breakdown)
	Assiniboia Downs	94,582.00	(not included)
	TOTAL	$331,568.00	
Days Bet:			
	Queensbury Downs	16	
	Marquis Downs	36	
	Assiniboia Downs	24	
	TOTAL	76	

MOOSE JAW - July 28 to December 9

Amount Wagered:			
	Queensbury Downs	$131,715.00	(included in breakdown)
	Marquis Downs	16,087.00	(included in breakdown)
	Assiniboia Downs	67,530.00	(not included)
	TOTAL	$215,332.00	
Days Bet:			
	Queensbury Downs	43	
	Marquis Downs	7	
	Assiniboia Downs	23	
	TOTAL	73	

LLOYDMINSTER - December 12 to December 31

Amount Wagered:	Assiniboia Downs	3,092.00	
Days Bet:	Assiniboia Downs	5	

TOTAL TELETHEATRE HANDLE FOR YEAR: $549,992.00

. . . . . .

PROVINCIAL HANDLE SUMMARY:

Queensbury Downs Handle:	6,390,866.00	
Marquis Downs Handle :	7,187,458.00	
Melville & Yorkton :	50,277.00	
Teletheatres Handle :	165,204.00	(off-season Assiniboia Downs)
TOTAL PROVINCIAL HANDLE:	$13,793,805.00	

SASKATCHEWAN HORSE RACING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1990

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

I have audited the balance sheet of the Saskatchewan Horse Racing Commission as at December 31, 1990 and the statements of revenue and expenditure, operating surplus and changes in cash position for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

W.K. Strelioff

Regina, Saskatchewan
February 15, 1991

W. K. Strelioff, C.A.
Provincial Auditor

SASKATCHEWAN HORSE RACING COMMISSION

BALANCE SHEET

As at December 31

	1990	1989
ASSETS		
Current:		
Cash and term deposits	$ 196,244	$580,576
Accrued interest receivable	14,120	24,997
Prepaid expense	3,273	3,767
	$ 213,637	$609,340
Fixed:		
Furniture and equipment	21,999	22,386
Total Assets	$ 235,636	$631,726
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 18,980	$ 71,620
Due to Department of Agriculture and Food (Note 4)	---	269,957
	18,980	341,577
Equity:		
Operating surplus (Statement 3)	194,657	267,763
Fixed assets	21,999	22,386
	216,656	290,149
Total Liabilities and Equity	$ 235,636	$631,726

(See accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

For the Year Ended December 31

	1990	1989
Revenue:		
Grants - Department of Agriculture and Food (Note 4)	$1,442,305	$2,443,334
Interest	108,729	100,259
Licences and Assessments	24,463	28,604
Fines	6,699	9,350
Other revenue	4,007	890
Total revenue	1,586,203	2,582,437
Expenditure:		
Administration		
Salaries and benefits	248,455	261,514
Professional services	43,256	51,875
Commissioners' expenses (Note 5)	18,950	25,800
Automobile and travel	44,837	36,103
Sundry	66,047	56,440
Supplies	11,441	12,240
Purchase of fixed assets	214	6,795
	433,200	450,767
Grants	1,212,345	1,988,503
Security expenditures	896	2,563
Appeals expense (Note 5)	1,871	350
Other	10,997	5,490
Facility improvement	---	7,953
	1,226,109	2,004,859
Total expenditure	1,659,309	2,455,626
Excess of revenue over expenditure (expenditure over revenue) - to Statement 3	$ (73,106)	$ 126,811

(see accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF OPERATING SURPLUS

For the Year Ended December 31, 1990

	Unappropriated	Appropriated		
	Operating Surplus	Contingency Reserve	Stabilization Reserve	Total Operating Surplus
Balance, Beginning of Year	$ ---	$ 88,372	$ 179,391	$ 267,763
Excess of Expenditure over Revenue (Statement 2)	(73,106)	---	---	(73,106)
Transfers from Reserves in year (Note 3)				
Contingency Reserve	12,707	(12,707)	---	---
Racing Stabilization Reserve	142,416	---	(142,416)	---
Other transfer	4,763	2,628	(7,391)	---
	86,780	78,293	29,584	194,657
Appropriations made during the year (Note 3)				
Contingency Reserve	(21,695)	21,695	---	---
Racing Stabilization Reserve	(65,085)	---	65,085	---
Balance, End of Year	$ ---	$ 99,988	$ 94,669	$194,657

(see accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF CHANGES IN CASH POSITION

For tne Year Ended December 31

	1990	1989
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure (expenditure over revenue)	$ (73,106)	$ 126,811
Net change in non-cash working capital balances:		
(Increase) decrease in prepaid expenses	494	(1,950)
(Increase) in accrued interest receivable	10,877	(3,212)
(Decrease) increase in accounts payable	(52,640)	(100,780)
(Decrease) increase in due to Department of Agriculture and Food	(269,957)	(200,660)
Total cash provided by (used in) operation	(384,332)	(179,791)
Cash and term deposits, beginning of year	580,576	760,367
Cash and term deposits, end of year	**$ 196,244**	**$ 580,576**

(see accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1990

1. SIGNIFICANT ACCOUNTING POLICIES

a) The accounts of the Commission are prepared on an accrual basis.

b) Term deposits are stated at cost which approximate market value.

c) The Commission records fixed asset purchases as expenditures in the year of the purchase and records fixed asset disposals as revenue in the year of sale. The Commission discloses the cumulative cost of the fixed assets on the balance sheet with a corresponding entry to Equity in Fixed Assets.

2. STATUS OF COMMISSION

The Saskatchewan Horse Racing Commission was established by The Horse Racing Commission Act, which was proclaimed December 15, 1983. The Commission has the powers to govern, direct, control, regulate, and assist the horse racing industry in Saskatchewan.

3. RESERVES

A) The Commission appropriates the operating surplus as follows:

i) Contingency Reserve

The amount appropriated yearly is 25% of the excess of revenue over expenditure for the year adjusted by any transfers to be made from the reserve. The reserve is to be used to make grants to the horse racing industry and to cover any future operating deficits as and when decided by the Commission.

ii) Racing Stabilization Reserve

The amount appropriated yearly is 75% of the excess of revenue over expenditure for the year adjusted by any transfers designated by the Commission to be made from the reserve. The reserve is to be used as a purse supplement as and when decided by the Commission.

4. GRANT REVENUE

The Saskatchewan Horse Racing Commission receives an operating grant from the Department of Agriculture and Food, based on the provincial portion of pari-mutuel tax collected together with other amounts that may be approved by the Department. Amounts received in excess of the approved grant are due to the Department at March 31 each year.

	1990	1989
Due to Department of Agriculture and Food, beginning of year	$ 269,957	$ 470,617
Grant receipts	1,172,348	2,242,674
Grant approved	(1,442,305)	(2,443,334)
Due to Department of Agriculture and Food, end of year	$ ---	$ 269,957

5. COMMISSIONERS' REMUNERATION

Commissioners' expenses and Appeals expense consist of Commissioners' remuneration of $20,821 (1989 - $26,150), paid to three Commissioners.

6. RELATED PARTY TRANSACTIONS

Included in these financial statements are expense amounts resulting from routine operation transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies, and corporations with which the Commission is related.